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Cote d'Ivoire

Solid Wood Products

Annual

2002

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Report Highlights:
Unstable political situation since September 19, 2002, has slowed down log deliveries to industrial mills and is hampering general economic activities. Cote d'Ivoire log imports are on the rise as local log production is flattening. Government reforestation objectives is unlikely to be achieved due to budgetary and political problems as financing for forest projects has dwindled.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

In 2001, wood and wood product exports remained stagnant at the 2000 level of $276 million due to invariable wood supply for processing and low evolution in product prices. Wood and wood product exports in 2001 accounted for 7.6 percent of Cote d'Ivoire's total export earnings and remained the fourth export earner after cocoa, petroleum and coffee. The major export markets were Italy, Spain, Germany, France, Netherlands, United Kingdom, India, Ireland, Senegal and Morocco. The major wood products are logs, lumber, veneer and plywood. Cote d'Ivoire imports of wood and wood products in 2001 were about $7 million and remained an insignificant proportion of total imports. Cote d'Ivoire has increased its imports of logs from neighboring Guinea and Liberia and also from Central African Republic.

Domestic log production is trending downwards and for the next five years, Cote d'Ivoire will increasingly depend on log imports to maintain operation of existing processing facilities. New investments in processing facilities are expected to remain minimal due to diminishing log supply situation. Product varieties are expected to remain unchanged. Production of veneer and plywood will be more prominent due to increased value added and in line with the government export goal for the wood industry.

The unstable political situation since September 19, 2002, are affecting log supply to the industrial mills. Insecurity and the general apprehensive atmosphere in the country have slowed down economic activities on the whole. Log imports from neighboring countries are also affected as increased check points on the major routes have also slowed down deliveries. The government reforestation programs are hampered by budgetary and political problems. Financing for forest projects has dwindled since 1996. The situation is further worsened by current development which undermines negotiations with donors for project financing.

Exchange Rate: U.S. $1 = 652 F CFA on Nov 5, 2002.

Forest Area

The Ivorian forest is a natural rain forest. The planted area is small, about 155,000 ha at the end of 2001. The natural rain forest comprises a "Permanent Domain" and a "Rural Domain". The Permanent domain consists of classified forest areas, national parks and reserves. The total area of the Permanent zone is 6,155,203 ha with the area for national parks and reserves estimated at 1,959,203 ha and that of classified forest at 4,196,000 ha. A classified forest is a government gazetted forest where forest exploitation activities are prohibited. However, for maintenance purposes, limited log production is permitted occasionally in classified forest areas. There are 231 classified forests with their areas varying from 315,000 ha for largest to 6 ha for the smallest. They are spread throughout the country in the three forest zones: 1,337,238 ha in the humid dense forest zone in the south; 1,274.834 ha in the semi-deciduous forest zone in the center; and 1,584,663 ha in the savannah forest zone in the north of Cote d'Ivoire.

Logging is undertaken in the Rural Domain. The total area is estimated at 12.7 million ha at the end of 2001. The exploited area is divided up into 323 concessions of between 25,000 and 75,000 ha each. The high proportion of this area is located in the west and southwest. The exploitation quota for log per concession ranges from 150 to 250 M3/ha depending on the nature of the forest. All the concessions are situated below the 8th degree latitude. The timber species are mainly hardwoods of mixed stand. The minimum diameter for logging is 60 cm, but this minimum is sometimes circumvented or ignored.

SODEFOR (the government agency responsible for forest development) manages the 231 classifies forests. Its activities include identifying new forest areas to be included in the classified forest area, reforesting and rehabilitating classified forests which have been illegally logged and over cut. The classified forest has become a target of continuous illegal occupation for farming due to extensive system of cultivation and rapid expansion in cocoa and coffee production. In addition, the cultivation of cocoa under canopy and the quest for new agricultural land due to expansion in area and the entry of new farmers; deterioration of existing agricultural lands as a result of erosion; underutilization of fertilizer; and land tenure problems have also been contributory factors to the illegal exploitation of the classified forest.

Survey conducted by the SODEFOR revealed that for the classified forest area of 2,396447 ha in cocoa and coffee producing zone, about 628,243 ha has been occupied illegally with a total population of 504,629 comprising 79,346 families. The problem to flush out these illegal occupants have been rendered difficult as some of the occupied areas have developed into large settlements, with government amenities such as schools, electricity and wells provided in some cases. Donor agencies want the occupancy rate minimized and the classified forest rehabilitated to compensate for the slow rate in hardwood reforesting. The government's objective is to increase the permanent forest cover from 14 percent to 20 percent by the year 2005. An objective fixed in 1995 which is unlikely to be achieved due to budgetary and political problems.

Financing for forest projects has dwindled since 1996. Currently, only an area of 400,000 ha (7 forests of the east) receives external financing from West Germany. SODEFOR depends on internal resources mainly from the sale of export quota of forest products. SODEFOR started negotiations with donor agencies for the resumption of assistance for the forest sector when the political situation seemed normalized from 2001 to mid-2002. However, with the degradation of the political situation since September 2002, efforts in this direction have been undermined.

As part of the government's program to encourage private sector participation in its afforestation program, it instituted an annual "Tree Day". In this program, each resident in Cote d'Ivoire is required to plant a tree on an announced day in July each year. However, the enthusiasm which crowned the initial program in 1996 has waned with the years. Another aspect was to involve industrial units with allocated forest concessions. This program is included in the 1995 forestry reforms which obliged these firms to rehabilitate and reforest their concessions. Forest area created was estimated at 48,000 ha in 2001. The problem facing the afforestation program included the reluctant rural population to yield arable land for forestry, rampart bush fires, lack of technical knowledge in tree culture by forest exploiters and absence of structure to produce high yield seedlings for planting.

Deforestation is also caused by bush fires, charcoal and firewood production. The traditional method of clearing - slash and burn - encourages bush fires and is more rampant in dry periods and in areas of strong winds. Several hectares of forest are destroyed each year through the negligence of farmers despite education programs organized by the government. Firewood and charcoal remain the main energy source for most Ivorians. Their use continues to increase with rising population and is about 23 million cubic meters of wood annually. In the urban areas, the proportion of population using firewood and charcoal will continue to remain dominant as gas supply situation has been inconsistent in recent times. In the rural areas, few households use gas due to unavailability and fear of accidents. Producers of charcoal and firewood use rejects from industrial logging operation and trees felled during clearing for farming, and also negotiate with landowners or village chiefs to harvest young trees of between 20cm and 40 cm in diameter which is against the law. They do not reforest because they are not bound by any official concession contract. To correct this situation, the government in January 2002 undertook to reorganize the charcoal production sector and demanded operators to renew their operational licenses most of which have expired. One of the major requirements was for the operators to have contracts with industrial units with forest concessions requiring them to use only rejects from the operation of these industrial units. The government's action caused a supply shortage of charcoal on the urban market and was forced to be less stringent on its earlier stand due to the political sensitivity of the population.

The reckless exploitation of the forest has reduced considerably Cote d'Ivoire's log production potential. This situation has caused increased logs imports from Liberia, Guinea and very recently, Central African Republic. In 2001, log imports were estimated at about 190,000 M3 compared to 182,174 M3 in 2000. Cote d'Ivoire log exports consist of only teaks as exports of other species continued to be banned.

The government has set up a Committee to review the new land law. The law recognizes that all land belongs to the state but could be accessible to all persons of good morals. However, only the state, public institutions and individual Ivorians could be owners. The forests in the "Rural Domain" are confined to the customary chiefs and all titles to the land must be registered according to the new land law. All non-registered lands are considered without owners and become automatically property of the state. Transfer of titles through sales are recognized under the new law.

STRATEGIC INDICATOR TABLE: FOREST AREA (million hectares/million cum)			
Country: Cote d'Ivoire	Previous	Current	Following
2002	Calendar Year	Calendar Year	Calendar Year
Total Land Area	32	32	32
Total Forest Area	19	19	19
--of which, Commercial	13	13	13
----of commercial, tropical hardwood	13	13	13
----of commercial, temperate hardwood			
----of commercial, softwood			
--of forest area, non-commercial	6	6	6
Forest Type			
--Of which, virgin	4	4	4
--Of which, plantation	0	0	0
--Of which, other commercial (regrowth)	15	15	15
Forest Ownership			
--Nationally owned and no commercial access	2	2	2
--Nationally owned, commercial logging permitted	0	0	0
--Other publicly owned land, no commercial access	4	4	4
--Other publicly owned, logging permitted	13	13	13
--privately owned commercial forest	0	0	0
Total Volume of Standing Timber	5	5	5
--Of which, Commercial Timber	3	3	3
Annual Timber Removal	24	25	26
Annual Timber Growth Rate	6	5	5
Annual Allowable Cut	N/A	N/A	N/A
NB: N/A - Not Applicable			

Solid Wood Overview

PSD Table						
Country	Cote d'Ivoire					
Commodity	Tropical Hardwood Logs				1000 CUBIC METERS	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Production	2170	2284	0	1950	0	2100
Imports	95	190	0	110	0	200
TOTAL SUPPLY	2265	2474	0	2060	0	2300
Exports	115	125	0	90	0	130
Domestic Consumption	2150	2349	0	1970	0	2170
TOTAL DISTRIBUTION	2265	2474	0	2060	0	2300

The major wood products are lumber, peeled and sliced veneer, and plywood. Government's policy is to encourage wood processing and to give preferences to value added product industry. These industries benefit from tax holidays, and exoneration of import duties on machinery and other essential inputs, and also enjoy bonuses. Log exports are banned with the exception of teaks. Log imports are allowed to ensure availability of raw materials for local processing.

There are no published prices on logs. Prices are fixed by the market. The GOCI instituted taxes on tree felling are as follows: (Taxes vary according to tree species which are, in turn, grouped into three categories according to their importance, with category 1 containing species with the highest value).

Cote d'Ivoire: Taxes on Tree Felling

Category	Tax/M3	Species
1	1,500 F CFA	Aboudikrou, Acajou, Avodire, Bosse, Sipo, Dibetou, Iroko, Makore, Tiama, Niangon, Bete, Framire, Lingue, Assamela, Aniegre, Kossipo, Amazakoue, Kotibe, Bahia, Akatio
2	1,000 F CFA	Samba, Ilomba, Frake, Essesang, Fromager, Ako, Badi, Azobe, Akosika, Iatandza, Movingui, Aiele, Faro, Kondroti, Tali, Kapkier, Naga
3	300 F CFA	Ba, Kelele, Lohonfe, Difou, Dabema, Lotofa, Melegba (Ebia), Pocouli, Limbali (Vaa), Eyong(Bi), Pouo, Emien, Etimoe, Bodo, Broutou, Zaizou, Alone, Meblo, Akoua, Boire

Tropical Hardwood Lumber

PSD Table						
Country	Cote d'Ivoire					
Commodity	Tropical Hardwood Lumber				1000 CUBIC METERS	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Production	650	625	0	570	0	600
Imports	0	0	0	0	0	0
TOTAL SUPPLY	650	625	0	570	0	600
Exports	495	485	0	445	0	465
Domestic Consumption	155	140	0	125	0	135
TOTAL DISTRIBUTION	650	625	0	570	0	600

Production increased in 2001 due to availability of raw materials from local supply and imports. In 2002, production is estimated to fall due to unstable political situation. Initial expectation was that production would be stagnant due to invariable log supply. Lumber production for the first six months of 2002 were 325, 439 M3 compared to 325, 707 M3.

There are about 115 officially sanctioned sawmills with a total processing capacity of 3.8 million cubic meters. In 2001, about 80 sawmills were in operation and in 2002, about the same number is expected to be in operation due to keen competition in the industry. A situation brought about by the activity of portable mills operating officially. All mills are privately owned.

Hardwood Veneer

PSD Table						
Country	Cote d'Ivoire					
Commodity	Hardwood Veneer				1000 CUBIC METERS	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Production	295	308	0	280	0	300
Imports	0	0	0	0	0	0
TOTAL SUPPLY	295	308	0	280	0	300
Exports	170	186	0	165	0	180
Domestic Consumption	125	122	0	115	0	120
TOTAL DISTRIBUTION	295	308	0	280	0	300

Veneer production increased in 2001 due to availability of raw material and increased export demand. In 2002, production is estimated to fall due to insufficient supply of raw materials coupled with political instability since September 2002. Production for the first 6 months of 2002 was 135,864 M3 comprising 128,380 M3 of peeled veneer and 7,484 M3 of sliced veneer compared to 159,751 M3 for the same period in 2001 made up of 152,715 of peeled veneer and 7,036 M3 of sliced veneer.

In 2001 and 2002, there were 17 firms which produced peeled veneer and seven firms for sliced veneer for a total capacity of about 660,000 M3 of logs.

Hardwood Plywood

PSD Table						
Country	Cote d'Ivoire					
Commodity	Hardwood Plywood				1000 CUBIC METERS	
	Revised	2001	Preliminary	2002	Forecast	2003
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Production	75	80	0	60	0	75
Imports	0	0	0	0	0	0
TOTAL SUPPLY	75	80	0	60	0	75
Exports	30	37	0	25	0	35
Domestic Consumption	45	43	0	35	0	40
TOTAL DISTRIBUTION	75	80	0	60	0	75

Despite early indication of increased production in 2002, production is now estimated to slip due to political instability since September 2002. Production increased in 2001 due to availability of raw materials. Production for the first six months of 2002 was 37,823 M3 compared to 36,504 M3 for the same period in 2001. Production was undertaken by 10 firms in 2001.

STRATEGIC INDICATOR TABLE: FOREST PRODUCT TARIFFS AND TAXES (percent)						
		Tariff	Tariff	Other		
Country:	Product	Current	Following	Import	Total Cost	Export
Report Year: 2002	Description 1/	2002	2003	Taxes/Fees	of Import	Tax
4401	Fuel Wood, Charcoal	5	5	22	27	35
4403	Logs	5	5	22	27	5-35
4404	Hoopwood, Split pole	5-10	5-10	22	27-32	0
4405	Woodwool	10	10	22	32	0
4406	Cross-ties of wood	10	10	22	32	0
4407	Lumber	10	10	22	32	2-35
4408	Veneer	10	10	22	32	1-5
4409	Wood shaped along					
	edges or faces	10-20	10-20	22	32-42	0
4410	Particle board	10	10	22	32	0
4411	Fiberboard of wood	10	10	22	32	0
4412	Plywood	10	10	22	32	1
4413	Densified wood	10	10	22	32	1
4414	Wooden Frames	10	10	22	32	1
4415	Containers	10	10	22	32	0
4416	Casks, Barrels	10	10	22	32	0
4417	Tools, Tool handles	10	10	22	32	0
4418	Builders' joinery	20	20	22	42	0
4419	Table & kitchen ware	20	20	22	42	0
4420	Statuettes	20	20	22	42	0
4421	Clothes hangers &					
	match sticks	10-20	10-20	22	32-42	0
4422	n/a	n/a	n/a	n/a	n/a	n/a

4423	n/a	n/a	n/a	n/a	n/a	n/a
4424	n/a	n/a	n/a	n/a	n/a	n/a
4425	n/a	n/a	n/a	n/a	n/a	n/a
Pre-fabricated Houses, a subsection under chapter 96	n/a	n/a	n/a	n/a	n/a	n/a
1/ Insert additional lines for Commodity tariff identification should tariffs vary within						
the four-digit designation.						

STRATEGIC INDICATOR TABLE: WOOD PRODUCTS SUBSIDIES			
Country: Cote d'Ivoire	Previous	Current	Following
Year of Report :2002	Calendar Year	Calendar Year	Calendar Year
Total Solid Wood Export Subsidy Outlay ($US million)	0	0	0
Is there a ban on the export of logs, lumber, or veneer? If yes, which?	Logs	Logs	Logs
Are there export taxes (yes/no)? 1/	Yes	Yes	Yes
If yes, for which products? (Identify export tax level in tariff table)	Lumber, Veneer,logs	Lumber, Veneer,logs	Lumber, Veneer,logs
Source(s) of Export Subsidy Information			
Total Wood Production Subsidy Outlay ($US million)	n/a	n/a	n/a
Are there any programs favoring the development of commercial forestry?	Yes	Yes	Yes
If yes, Post best estimate of scope (thousands of hectares)	12,000	8,000	10,000
If yes, Post's best estimate of financial outlay ($US million)	3	1	2
Source(s) of Production Subsidy Information	SODEFOR : Presentation des Activites de la SODEFOR - 2002		
Does the country support export expansion activities similar to the Cooperator Program?	NO	NO	NO
--Which country markets are targeted?	n/a	n/a	n/a
--Which products are targeted?	n/a	n/a	n/a
Are there significant wood products export expansion activities at the provincial or regional level?	NO	NO	NO
--If yes, identify key players	n/a	n/a	n/a
--If yes, identify key market segments	n/a	n/a	n/a
--If yes, identify key country markets	n/a	n/a	n/a
--If yes, identify key products	n/a	n/a	n/a

--Post's estimate for combined outlay ($US million)			
Source(s) of Provincial/Regional Support Information	n/a	n/a	n/a
Are there other wood products export expansion activities? If yes, describe in report.	n/a	n/a	n/a

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Tropical Hardwood Logs		
Time period	Jan-Dec	Units:	M3
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
India	132500	India	106718
France	1116	France	127
West Indies	687	West Indies	16216
Jamaica	315	Singapore	1434
Cyprus	251	Portugal	369
Hong Kong	177	Hong Kong	64
		Italy	139
Total for Others	135046		125067
Others not Listed	326		431
Grand Total	135372		125498

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Tropical Hardwood Lumber		
Time period	Jan-Dec	Units:	M3
Exports for:	2000		2001
U.S.	14085	U.S.	15611
Others		Others	
Spain	76945	Spain	140760
Italy	107470	Italy	139205
Senegal	38610	Senegal	50085
France	20911	France	25341
Netherlands	15207	Netherlands	16848
Morocco	12703	Morocco	22340
Tunisia	14507	Tunisia	19978
Ireland	17194	Ireland	18807
United Kingdom	15260	United Kingdom	17027
Greece	10005	Greece	15343
Total for Others	328812		465734
Others not Listed	34310		3921
Grand Total	377207		485266

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Hardwood Veneer		
Time period	Jan-Dec	Units:	M3
Exports for:	2000		2001
U.S.	15578	U.S.	12325
Others		Others	
Italy	43831	Italy	50648
Germany	25760	Germany	29422
Spain	40712	Spain	42201
France	12811	France	14485
Belgium	5184	Belgium	3765
Tunisia	18296	Tunisia	19254
Israel	1333	Israel	1291
Portugal	1291	Portugal	1698
Morocco	1860	Morocco	1061
Denmark	951	Syria	847
Total for Others	152029		164672
Others not Listed	6775		9317
Grand Total	174382		186314

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Hardwood Plywood		
Time period	Jan-Dec	Units:	M3
Exports for:	2000		2001
U.S.		U.S.	
Others		Others	
France	11837	France	12724
Senegal	4414	Senegal	4876
Morocco	3328	Morocco	3851
Belgium	3355	Belgium	3762
Germany	2660	Germany	2916
Italy	1546	Italy	1932
Gambia	2319	Gambia	2531
U.K.	886	U.K.	914
Benin	644	Benin	736
Greece	904	Greece	1100
Total for Others	31893		35342
Others not Listed	1237		2073
Grand Total	33130		37415

Domestic log production is trending downwards and for the next five years, Cote d'Ivoire will increasingly depend on log imports to maintain operation of existing processing facilities. New investments in processing facilities are expected to remain minimal due to diminishing log supply situation. Product varieties are expected to remain unchanged. Production of veneer and plywood will be more prominent due to increased value added and in line with the government production and export goal for the wood industry.